

# Relief for Taxpayers Affected by Ongoing Coronavirus Disease Pandemic, Related to Sport Fishing Equipment and Bows and Arrows Excise Tax Filing and Payment Deadlines

Notice 2020-55

## SECTION 1. PURPOSE

On March 13, 2020, the President of the United States issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in response to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic (Emergency Declaration). The Emergency Declaration instructed the Secretary of the Treasury “to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency, as appropriate, pursuant to 26 U.S.C. 7508A(a).” Pursuant to the Emergency Declaration, this notice provides relief under section 7508A(a) of the Internal Revenue Code (Code) for the persons described in section 3 of this notice that the Secretary of the Treasury has determined to be affected by the COVID-19 emergency. Notice 2020-48, 2020-29 IRB 72 (July 13, 2020), previously postponed certain federal tax filing and payment deadlines related to second quarter 2020 sport fishing equipment and bows and arrows excise taxes.

## SECTION 2. BACKGROUND

Section 7508A of the Code provides the Secretary of the Treasury or his delegate (Secretary) with authority to postpone the time for performing certain acts under the internal revenue laws for a taxpayer determined by the Secretary to be affected by a federally declared disaster as defined in § 165(i)(5)(A) of the Code.

Pursuant to § 7508A(a), a period of up to one year may be disregarded in determining whether the performance of those acts is timely under the internal revenue laws.

Section 40.0-1(a) of the Excise Tax Procedural Regulations applies the part 40 procedural regulations to various excise taxes including those imposed on sporting goods by chapter 32, subchapter D, part I of the Code. Section 40.6011(a)-1(a)(1) provides that the return of any tax to which part 40 applies must be made on Form 720 (Quarterly Federal Excise Tax Return) according to the instructions applicable to the form. The requirement for filing a return under part 40 applies separately to each tax listed by IRS Number on Form 720.

The federal sporting goods excise taxes are imposed by § 4161(a) on sport fishing equipment and by § 4161(b) on bows and arrows. These taxes are reported on Form 720, Part II, IRS Numbers: 41 (sport fishing equipment (other than fishing rods and fishing poles)), 110 (fishing rods and fishing poles), 42 (electric outboard motors), 114 (fishing tackle boxes), 44 (bows, quivers, broadheads, and points), and 106 (arrow shafts) (hereafter the “sport fishing and archery equipment numbers”). Under § 40.6011(a)-1(a), an entry for each IRS Number on Form 720 constitutes a separate return. The Form 720 due on April 30, 2020, covers the first calendar quarter (January, February, March) of the year 2020.

### SECTION 3. GRANT OF RELIEF

Any person (as defined in § 7701(a)(1) of the Code) with a federal sporting goods excise tax payment due and the requirement to file a return under the sport fishing and archery equipment numbers on Part II of Form 720, on April 30, 2020 (the first quarter

of 2020), is determined to be affected by the COVID-19 emergency for purposes of the relief described in this section 3 (Affected Taxpayer).

For an Affected Taxpayer, the April 30, 2020, due date for filing Form 720 for the sport fishing and archery equipment numbers and making corresponding federal sporting goods excise tax payments is automatically postponed to October 31, 2020. This postponement of the due date is automatic; Affected Taxpayers do not have to call the IRS or file any extension forms.

An Affected Taxpayer who has already filed a first quarter Form 720 for excise taxes and fully paid the corresponding excise taxes on sport fishing and archery equipment by the normal due date (April 30, 2020) may disregard this notice and does not need to do anything further. An Affected Taxpayer who has already filed a first quarter Form 720 for excise taxes on sport fishing and archery equipment but has not fully paid such excise taxes may pay those taxes by the postponed deadline of October 31, 2020. An Affected Taxpayer who has not already filed its first quarter Form 720 and who takes advantage of this postponement should file only one Form 720 for the sport fishing and archery equipment numbers for the first quarter of 2020 by the postponed deadline of October 31, 2020.

Any Affected Taxpayer that, pursuant to this notice, files its first quarter Form 720 for the sport fishing and archery equipment numbers after **[INSERT DATE NOTICE IS RELEASED]**, but by October 31, 2020, must adhere to the following instructions to take advantage of the postponed deadline of October 31, 2020, to file and pay such excise taxes:

- Any Affected Taxpayer that has not already filed a first quarter Form 720 that wants to take advantage of the postponement must file a paper Form 720, rather than an electronic Form 720, to file its return for excise taxes on sport fishing and archery equipment. An Affected Taxpayer should file only one Form 720 for the sport fishing and archery equipment numbers for the first quarter of 2020 by the postponed deadline of October 31, 2020. In addition, an Affected Taxpayer must write “Notice 2020-55” on the top-center of the Form 720 on which its first quarter 2020 excise taxes on sport fishing and archery equipment are reported after **[INSERT DATE NOTICE IS RELEASED]**.
- If any Affected Taxpayer that wants to take advantage of this postponement in filing is required to file a Form 720 for excise taxes other than for sport fishing and archery equipment on April 30, 2020, and has not done so, such an Affected Taxpayer should file a Form 720 reporting such excise taxes as soon as possible with the sport fishing and archery lines blank, to stop the further accrual of late filing penalties.
- Any Affected Taxpayer that wants to take advantage of the postponement must not combine first quarter (the calendar quarter containing January, February, and March 2020) with second or third quarter (the calendar quarters containing April, May, and June, and July, August, and September 2020, respectively) excise taxes onto one Form 720. Affected Taxpayers who are seeking the second quarter relief provided by Notice 2020-48 should follow the filing procedures described in that notice. Affected Taxpayers must

file separate Forms 720 for the first, second, and third quarters by October 31, 2020. Moreover, first, second, and third quarter Form 720 excise tax payments must be made separately, and Affected Taxpayers should clearly designate payments with respect to the type of tax and tax period for which the payment is made.

As a result of the postponement of the April 30, 2020, due date for timely filing Forms 720 for the excise taxes on sport fishing and archery equipment and timely making such excise tax payments to October 31, 2020, the period beginning on May 1, 2020, and ending on October 31, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file a Form 720 for the excise taxes on sport fishing and archery equipment or to pay such excise taxes shown on that form and postponed by this notice. Interest, penalties, and additions to tax with respect to such postponed Forms 720 and payments will begin to accrue on November 1, 2020, if the taxes are then unpaid or the Forms are not timely filed.

Affected Taxpayers that have been assessed penalties and interest with respect to untimely filing or payment for first quarter 2020 sport fishing and archery equipment excise taxes may request abatement pursuant to this notice. If an Affected Taxpayer receives a late filing or late payment penalty notice from the IRS regarding interest, penalties, or additions to tax calculated for the period prior to November 1, 2020, with respect to first quarter sport fishing and archery equipment excise taxes, the Affected Taxpayer should call the telephone number listed on the applicable IRS billing notice to have any such amount abated.

#### SECTION 4. CONTACT INFORMATION

For further information regarding this notice, you may call the COVID-19 Disaster Relief Hotline at (202) 317-5436 (not a toll-free call).